

**COUNTY OF SAN LUIS OBISPO BOARD OF SUPERVISORS
AGENDA ITEM TRANSMITTAL**

(1) DEPARTMENT Public Works	(2) MEETING DATE 5/20/2014	(3) CONTACT/PHONE John Waddell, Los Osos Wastewater Project Manager (805) 788-2713	
(4) SUBJECT Request for authorization of a Change Order for the Project Collection System Areas B & C Contract in the amount of \$180,000 for additional collection system work, Los Osos Wastewater Project, Los Osos. District 2.			
(5) RECOMMENDED ACTION It is recommended that the Board: <div style="margin-left: 20px;"> 1. Authorize a Change Order for the Project Collection System Areas B&C Contract in the amount of \$180,000 for additional collection system work; and 2. Direct the Director of Public Works, or his designee, to approve the Change Order in accordance with the Project Construction Change Order Policy adopted by your Board on April 3, 2012. </div>			
(6) FUNDING SOURCE(S) Fund Center 430	(7) CURRENT YEAR FINANCIAL IMPACT \$180,000.00	(8) ANNUAL FINANCIAL IMPACT N/A	(9) BUDGETED? Yes
(10) AGENDA PLACEMENT <input checked="" type="checkbox"/> Consent <input type="checkbox"/> Presentation <input type="checkbox"/> Hearing (Time Est. ____) <input type="checkbox"/> Board Business (Time Est. ____)			
(11) EXECUTED DOCUMENTS <input type="checkbox"/> Resolutions <input type="checkbox"/> Contracts <input type="checkbox"/> Ordinances <input checked="" type="checkbox"/> N/A			
(12) OUTLINE AGREEMENT REQUISITION NUMBER (OAR) N/A		(13) BUDGET ADJUSTMENT REQUIRED? BAR ID Number: N/A <input type="checkbox"/> 4/5 Vote Required <input checked="" type="checkbox"/> N/A	
(14) LOCATION MAP N/A	(15) BUSINESS IMPACT STATEMENT? No	(16) AGENDA ITEM HISTORY <input type="checkbox"/> N/A Date: 1/28/14; Items # 28 & 29	
(17) ADMINISTRATIVE OFFICE REVIEW <i>Nikki J. Schmidt</i>			
(18) SUPERVISOR DISTRICT(S) District 2			

Reference: 14MAY20-C-10

County of San Luis Obispo



TO: Board of Supervisors

FROM: Public Works
John Waddell, Los Osos Wastewater Project Manager

VIA: Dave Flynn, Deputy Director of Public Works

DATE: 5/20/2014

SUBJECT: Request for authorization of a Change Order for the Project Collection System Areas B & C Contract in the amount of \$180,000 for additional collection system work, Los Osos Wastewater Project, Los Osos. District 2.

RECOMMENDATION

It is recommended that the Board:

1. Authorize a Change Order for the Project Collection System Areas B&C Contract in the amount of \$180,000 for additional collection system work; and
2. Direct the Director of Public Works, or his designee, to approve the Change Order in accordance with the Project Construction Change Order Policy adopted by your Board on April 3, 2012.

DISCUSSION

On September 20, 2006, California State Governor Arnold Schwarzenegger signed Assembly Bill 2701 (Blakeslee) which allowed the County, at your Board's discretion, to assume responsibility for development of a wastewater project for the community of Los Osos. Since 2006, environmental permits and funding approvals have been obtained, your Board adopted the Due Diligence resolution to assume responsibility for the project, and construction began in May 2012. The project is currently in construction under multiple contracts. The two pipeline contracts have each completed the installation of sewer mains and are scheduled for final completion by September 2014. The collection system pump stations contract is scheduled for final completion by May 2015. The water recycling facility, which began construction in March, is scheduled for final completion in December 2016.

Today's recommendations are related to a change order to the Collection System Contract, which is being proposed for completion by W.A. Rasic Construction. The contract with W.A. Rasic was approved by your Board on July 10, 2012 with a low bid amount of \$29,425,000, plus a 10% authorized construction contingency, for a total authorized construction amount of \$32,367,500. The final cost for this contract, including this proposed change order, all other change orders, and costs for additional paving requirements encountered during construction, is estimated to be approximately \$1 million below the authorized construction amount.

The proposed change order is to complete remedial work on existing sewer pipelines that were installed in 2005 by the Los Osos Community Services District (LOCSD) project. The primary scope of work is related to completing sewer laterals on existing pipelines in areas where sewer mains and partial laterals had been installed in 2005, however, the LOCSD construction contract was cancelled before the laterals were completed. Completion of the lateral installations is necessary for a functional collection system and to allow residences to connect to the project. It is also desirable to complete this work at the present time, prior to the planned final road resurfacing that will be done on most roads in Los Osos after the collection system contracts are completed. W.A. Rasic has agreed to complete the work on an agreed unit price basis, and the total cost is estimated at \$180,000.

Since this change order is estimated to result in an increase of more than \$150,000, it requires prior authorization from your Board, per the adopted Project Change Order Policy. The draft contract change order, outlining the work scope and costs, is attached.

OTHER AGENCY INVOLVEMENT/IMPACT

The U.S. Department of Agriculture (USDA) and State Water Resources Control Board (SWRCB) are jointly financing the Project and provide oversight of engineering and consulting agreements and construction contracts. In addition to County approval, the change order must also be approved by the USDA, as a condition of their funding. Numerous other federal, state and local agencies are involved in the project. County Counsel is providing legal guidance on all aspects of the project.

FINANCIAL CONSIDERATIONS

There are sufficient funds in the Collection System Area B&C Contract budget to cover the cost of the change order. The project budget, Board of Supervisors adopted and USDA approved, includes contingency funds of \$2,942,500 solely for the Collection System Area B&C contract. This change order will be paid for under the contract contingency funds and will leave a remaining contingency balance (after accounting for prior change orders) of approximately \$2,933,225 for any additional quantities of bid item materials and change orders.

A budget status update is attached as Exhibit "A."

RESULTS

Approval of the recommended action will provide for necessary construction work to complete the project and continue the progress toward a community wastewater project for Los Osos. Completion of the Project will contribute to the County's goal of providing a safe and healthy community.

File: Los Osos WWP 300448.00.1.4

Reference: 14MAY20-C-10

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ATTACHMENTS

1. Exhibit A - Budget Status Update
2. Change Order